



**EDISON ELECTRIC
INSTITUTE**

February 25, 2008

The Honorable Charles B. Rangel
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

On behalf of the Edison Electric Institute (EEI), I am writing to support the electricity- related provisions of H.R. 5351, the "Renewable Energy and Energy Conservation Act of 2008." I want to commend you for your leadership in including provisions that would increase investment in alternative energy sources and energy efficiency measures.

Specifically, this bill contains several provisions of importance to the electric utility industry and our customers. We strongly support the bill's provisions that would: 1) provide a long-term extension of the production tax credit (PTC) for renewables; 2) extend the 30% solar investment tax credit (ITC) for 8 years and remove the utility exclusion; 3) allow "smart meters" to be depreciated over 5 years; 4) provide a 2-year extension of Transco provisions that were first enacted in EPAct 2005; 5) provide tax credits for plug-in hybrid electric vehicles; and 6) extend energy efficiency tax incentives for appliances and commercial buildings.

We do believe, however, that some changes in the language for "smart meters" are necessary. We are concerned that the current language would inappropriately limit the applicability of the smart meters provision. Requiring that the meters be installed on the "real property" of the customer is problematic as it is not true that the customer will own the property (such as renters) where the meter is installed in all cases.

Another provision that will dramatically limit the deployment of smart meters is the provision imposing a mandatory federal net metering requirement. Such a requirement would override many carefully developed state programs that consider the appropriate generation technologies that are eligible for net metering, and the state limitations on the quantity of energy subject to net metering. We believe these provisions should be dropped in the final version of the smart meters legislative language.

Mr. Chairman, we appreciate your efforts in these important areas of energy tax policy, and hope you will take our concerns into consideration as the process moves forward.

Sincerely,

Thomas R. Kuhn
TRK:jb